

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7665**

**BILL NUMBER:** HB 1723

**NOTE PREPARED:** Feb 8, 2003

**BILL AMENDED:** Feb 6, 2003

**SUBJECT:** Regulation of Endangered Industries.

**FIRST AUTHOR:** Rep. Murphy

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides for coordinating Indiana rules that affect Indiana endangered industries with national policies.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** (Revised) This bill will increase the administrative burden of state agencies with rulemaking authority to the extent that it requires state agencies, annually by August 1<sup>st</sup>, to complete a review of its rules to identify those rules that impose more stringent standards of conduct than related national policies. Agencies would be required to submit a report of the review to the Legislative Services Agency by September 1<sup>st</sup> each year. The potential impact of the bill is indeterminable and presumably contingent upon the number of industries that qualify as an Indiana endangered industry and the number and types of rules that are determined to be effective.

The bill also could increase the administrative burden on state agencies insofar as it will require the agency to suspend the application of certain rules on industries that meet certain requirements and have been recognized as a qualifying *Indiana endangered industry* by the General Assembly and the Lieutenant Governor.

The bill defines an Indiana endangered industry as an industry that: (1) has had a substantial presence in Indiana for at least 20 years; (2) has had an economic decline in at least two of the immediately preceding calendar years caused by foreign competition, regulatory mandates, health care insurance rates or other inflated business costs, or decline in consumer demand; and (3) the industry has been recognized as meeting these criteria in a written declaration by either the Lieutenant Governor or through concurrent resolution by

both houses of the General Assembly.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Agencies with rulemaking authority; Lieutenant Governor; Legislative Services Agency.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854